

Remarks of Jeffrey N. Shane Under Secretary of Transportation for Policy

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Your Excellencies, Honorable Ministers, and Distinguished guests. I bring you the warm greetings of U.S. Secretary of Transportation Norman Mineta and our appreciation that so many of you made this long voyage. I am very pleased to comoderate this panel with Mr. Mussa Toure (Torré), President of the West African Economic and Monetary Union, on the important role that transportation plays in the development of a nation's economy. And please let me recognize at the outset Minister Morgado, Minister of Industry and Commerce of the Government of Mozambique.

It has only been recently that the clear connection between an efficient transportation system and economic development has been made. Especially in the developing world, gone is the view that air transport is for the rich or that roads and ports are expensive projects that benefit too few given the limited resources governments have to invest. The very fact that a transportation workshop is part of this trade forum underscores the inextricable link: good transportation is the only way for products to reach markets around the world at competitive prices.

We are mindful that we are addressing here today primarily ministers of trade and foreign affairs. We welcome the opportunity to have this discussion because you, along with your transport colleagues, will be making the crucial decisions in the highest councils of government to determine your nation's policy and budget priorities. Ours is a simple message: transportation improvements, especially in the form of well planned inter-modal connections, yield far reaching benefits down through all levels of society. It is not only an investment worth making; it is an investment that nations cannot do without

Investment in transportation infrastructure leads to greater market reach at lower costs for both freight and passengers. This in turn should be reflected in lower market

prices that benefit all income groups. For example, looking locally at the agricultural production and distribution chain, more efficient rural transportation could bring significant benefits to urban populations by lowering food prices. Looking regionally or internationally, better transportation services facilitate improved production activities and trade promotion. Not only is the cost of production reduced by efficient delivery of inputs, but the cost of delivery of final products and services is also reduced, improving a country's competitiveness. Be it textiles from Mauritius or pineapples from Ghana, be it any product that the industrious people of Africa strive to produce, bound for any market in the world, the price has to be right to succeed in today's global economy. This is particularly important for developing economies, where poor transportation infrastructure and excessive costs can generate more significant barriers to trade than import tariffs and quotas.

Trade and transportation are synergistic – as trade grows, transportation expands, and as more transportation becomes available, market opportunities expand. We have not over analyzed which is the chicken and which is the egg – we do know trade and transportation are strongly wedded to the benefit of both.

Our panelists today will illuminate the importance of regional transportation, best practices for overcoming obstacles to infrastructure development, and options for financing transportation improvements. Our panel consists of three parts: first, experts from the surface modal administrations of the U.S. Department of Transportation, the Federal Highway Administration, the Federal Railroad Administration and the Maritime Administration, will share U.S. policies and investment priorities. The second part will present opportunities for financing transportation investment. We will hear from the U.S. Trade and Development Agency (TDA), the U.S. Export-Import Bank and the World Bank. Lastly, our distinguished guest from Mozambique, Minister Morgado, will bring the essential view of a nation that has engaged in vigorous transportation planning and investment, how a particular project was pushed forward, and what were the results.

Before my co-chair and I introduce our panel of experts, please let me turn the microphone over to Mr. Toure, the President of the West African Economic and Monetary Union.